

EXHIBIT 329

To Do

Subject: Add to the DEA Manual

Starts:

Priority:

☒ Medium

Due: Yesterday

Type:

☒ Personal To Do

☐ Repeats

☐ Mark Private Others cannot see any details about this event.

☐ Notify me Have Notes notify you before the event.

Categorize: Justin

Description:

Redacted – Attorney Client Privileged

Redacted – Attorney Client Privileged

Thanks!
Melanie Soliva
(847) 914-8590

Jim Strzalka
03/09/2006 11:05 AM
To: Melanie Soliva/Corp/Walgreens@Walgreens
cc: Sue Labbe/Corp/Walgreens@Walgreens, Scott
McArthur/Corp/Walgreens@Walgreens
Subject: Fw: Suspicious Transactions

Redacted – Attorney Client Privileged

— Forwarded by Jim Strzalka/Corp/Walgreens on 03/09/2006 10:35 AM —

Todd Steffen
03/09/2006 10:33 AM
To: linda.rambo@walgreens.com@Walgreens, sue.thoss@walgreens.com@Walgreens,
Jim Strzalka/Corp/Walgreens@Walgreens
cc:
Subject: Suspicious Transactions

Redacted – Attorney Client Privileged

— Forwarded by Todd Steffen/LOG/Walgreens on 03/09/2006 10:31 AM —

Dwayne Pinon
03/09/2006 10:16 AM

To: Todd Steffen/LOG/Walgreens@Walgreens, Kalani
Reelitz/Corp/Walgreens@Walgreens

cc:

Subject: Suspicious Transactions

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Kalani Reelitz

02/28/2006 03:57 PM

To: Ed Choroski/Corp/Walgreens@Walgreens
cc: Scott Fink/Corp/Walgreens@Walgreens, Justin
Joseph/LOG/Walgreens
Subject: DEA Suspicious Drug Report - Address Correction

The DEA has informed Perrysburg that the address the Suspicious Drug Report is sent to is incorrect. Please update in our system to show the corrected address below.

Attention: Diversion Group #1
431 Howard Street
Detroit, Michigan 48226

Thank you,

Kalani Reelitz
Internal Audit
847.964.4293

Administrative Manager
Walgreens Perrysburg Distribution Center
28727 Oregon Rd.
Perrysburg, OH. 43551
419-662-4061

Justin Joseph

03/04/2006 09:42 AM

To: Todd Polarolo/LOG/Walgreens,
cc: Terry Watkins/LOG/Walgreens, Sue Thoss/LOG/Walgreens, Steve
Kneller/LOG/Walgreens,
Subject: DEA Audit Day 5 Perrysbug 3/3/06

Friday was a short day for the auditors we discussed the following.

HR(Lynn Mailloux)

Number of employees

Hiring Packet

Drug Screening information

Background Check information

Asset Protection(Tonia Ramos)

Alarm Report from previous walk through

Address and Phone number of FE Moran

Operations(Justin Joseph)

% of lines that are controlled

Inbound Procedures

Outbound Procedures

List of Couriers used by transportation

Weekly and Bi-Annual Inventory

They also supplied 18 documents and handouts that include information on PSE products and DEA Notice's. These documents are not sent by the DEA but are available on their website. Updates could also be provided during our next audit.

The Auditors will return on Monday 3/6 to review their findings.

Justin Joseph

Administrative Manager

Walgreens Perrysburg Distribution Center

28727 Oregon Rd.

Perrysburg, OH. 43551

419-662-4061

Justin Joseph

02/27/2006 06:09 PM

To: Todd Polarolo/LOG/Walgreens@Walgreens, Steve Kneller/LOG/Walgreens@Walgreens
 cc:
 Subject: DEA Audit Day 1

Today two DEA Diversion Investigators came on site James E. Rafalski and Angie R. Francis to complete a DEA Audit. They arrived at the building around 9:55am.

They requested to view the current inventory and all Receipts/Shipments of the following 8 items.

DANGEROUS

CLASS	INDICATOR	ITEM	DESCRIPTION	QTY	AVAILABLE	COUNT	ASST	POSITION
4	C	594167	ALPRAZOLAM XR 2MG TAB (GRN)	60	206	206	G108C	40
4	C	594167	ALPRAZOLAM XR 2MG TAB (GRN)	60	96	96	GB05B	0
4	C	659657	DARVOCET - N 100 TAB (AAL)	100NP	126	126	G107C	50
5	C	674484	CHERATUSSIN AC SYRUP	160Z	101	101	G104D	20
5	C	674484	CHERATUSSIN AC SYRUP	160Z	4	4	CTDMG	0
5	C	674484	CHERATUSSIN AC SYRUP	160Z	84	84	GC05B	0
5	C	674484	CHERATUSSIN AC SYRUP	160Z	816	816	GC03G	0
5	C	674484	CHERATUSSIN AC SYRUP	160Z	996	996	GB02A	0
5	C	674484	CHERATUSSIN AC SYRUP	160Z	576	576	GB10A	0
3	A	675756	HYDROCOD-APAP 10-500 TB	500	84	84	G108E	10
3	A	675756	HYDROCOD-APAP 10-500 TB	500	708	708	GC02A	0
3	A	675756	HYDROCOD-APAP 10-500 TB	500	288	288	GA11A	0
4	C	677997	PHENOBARBITAL 1/2 GR TAB	1000	79	79	G108A	35
4	C	677997	PHENOBARBITAL 1/2 GR TAB	1000	36	36	GA06B	0
3	A	684544	VICODIN ES 7.5-750 TAB (ABB)	100NP	298	298	G103E	25
3	A	684544	VICODIN ES 7.5-750 TAB (ABB)	100NP	120	120	GA03B	0
3	A	684556	VICODIN 5/500 TAB (ABB)	100NP	268	268	G103E	20
4	C	685928	XANAX 1MG TAB	100	111	111	G108D	5

ItemsF02-27-06.xls

All counts were correct and all receiving information has been provided. Shipping information will be provided on 2/28/06. For the receiving documents they were initially looking for the actual P.O. of the items ordered, which we do not keep on site. I placed a call to Kilani Reelitz, he stated that this has never been a request. The DEA Representatives said that we may use "Central Record Keeping" which would indicate that P.O's are kept in a central location for all facilities.

WAGMDL00757770

HIGHLY CONFIDENTIAL

The auditors left the building at 5:15pm and will return around 8:30am on Tuesday 2/28.

Justin Joseph
Administrative Manager
Walgreens Perryburg Distribution Center
28727 Oregon Rd.
Perryburg, OH 43551
419-662-4061

Justin Joseph

03/02/2006 06:11 PM

To: Todd Polarolo/LOG/Walgreens@Walgreens
cc: Terry Watkins/LOG/Walgreens@Walgreens, Sue
Thoss/LOG/Walgreens@Walgreens, Steve
Kneller/LOG/Walgreens@Walgreens

Subject: DEA Audit Recap Perrysburg 3/2/06

Today's discussion centered around suspicious drug report and PSE items. Highlighted in red are the items that I am struggling to come up with answers for.

Suspicious Drug Report

Q:Where does the DEA Factor come from?

A:This is our determination of a suspicious order. (Kalani Reelitz)

Q:How do we get the average

A:This is by DC and takes the number of daily scripts filled by the store, then groups stores in groups of 25. There is then an average taken of the orders by item. (Kalani Reelitz)

Q:Who determines when a regulated transaction level has been met?

This question has yet to be answered, here are two links they provided to describe a regulated transaction and their requirements.

http://www.deadiversion.usdoj.gov/21cfr/cfr/1300/1300_02.htm

http://www.deadiversion.usdoj.gov/21cfr/cfr/1310/1310_06.htm

PSE LIST ONE

Q:How many PSE LIST ONE items do we carry?

A:118 provided by query of file di164p.

Q:Who designates items as PSE LIST ONE?

A:Buyers(Pete Strohmayer)

Q:How do we determine a LIST ONE item vs. a PSE LIST ONE item?

A:Have not been able to get one answer on this? At one point I was told they are both in this file but then I was told we only show PSE LIST ONE items in this file. There are other types in this file but for list one we only look at PSE LIST ONE.

Q:Do we sell ephedrine items?

A:Have not been able to get answer for this.

Item number 664464 PSEUDOEPHEDRINE is not listed as a PSE LIST ONE item in file DI164P and is stored in Rx. Is there a reason?

They requested to see the locations we keep PSE LIST ONE. All PSE LIST ONE items are dedicated in L8 and have backups in either the crane or flow racks. They seemed to be ok with this.

The only other outstanding question I have is if we have filed for central record keeping. This question came from the fact that we do not keep the actual Purchase Order that is placed to the vendor in our facility;

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They also requested a copy of the CM15 manual, **Redacted – Attorney Client Privileged**

Redacted – Attorney Client Privileged

Justin Joseph

DEA Communication

Example

- Item Handling Request
- Central Record Keeping Letter

Controlled Substance Order Monitoring and Prevention System

The Controlled Substance Order Monitoring and Prevention System is designed to limit or prevent the quantities of controlled substances that are ordered from the distribution centers that otherwise may be considered excessive under DEA regulations. This system is used to identify and modify potentially suspicious orders of controlled substances and pseudoephedrine products prior to the order being sent to the warehouse for fulfillment.

Orders for controlled substances are monitored for unusual quantity, frequency and/or inventory adjustments. Each pharmacy is looked at individually. The computer program determines the maximum order size (threshold) as it pertains to a tolerance limit and order frequency for each drug.

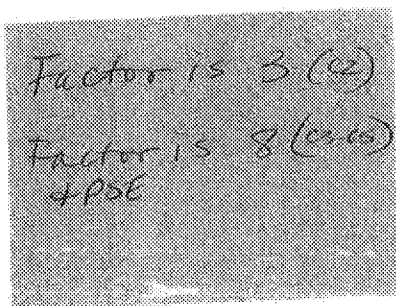
Enhanced reporting includes identification of those pharmacies whose orders deviate from a normal pattern established by district or market groupings.

If an order is identified as exceeding the predetermined limit, it is automatically decreased, thereby ensuring that our distribution centers do not fulfill any potentially suspicious orders.

Orders whose quantities have been modified or have been flagged due to inventory adjustments are compiled into weekly and monthly reports to be reviewed and monitored by Walgreens corporate personnel. Pharmacies which are repeatedly identified will be elevated to a high-risk category for investigation into potential diversion activity.

The review process is used to determine if the orders can be justified from an operational perspective due to a legitimate business reason such as closing of competition or obtaining new business. Retraining of pharmacy staff or additional investigation by Loss Prevention may be necessary.

04/02/2012



Factor is 3 (12)
Factor is 8 (12-15)
+PSE